



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Ms. Xanthi Gionis, Treasurer

Chula Vista, California 91913

MAR 12 2014

RE: MUR 6719
Xanthi Gionis
Committee to Elect Xanthi Gionis
for US Congress 2012 and Xanthi
Gionis in her official capacity as
treasurer
Aristotle University, Inc.

Dear M. Gionis:

On February 13, 2013, the Federal Election Commission notified the Committee to Elect Xanthi Gionis for US Congress 2012 and you in your official capacity as treasurer of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on March 6, 2014, voted to dismiss this matter. The Factual and Legal Analysis, which more fully explains the Commission's decision, is enclosed for your information.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009).

If you have any questions, please contact me, at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "William A. Powers".

William A. Powers
Assistant General Counsel

Enclosure:
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR: 6719

RESPONDENTS: Xanthi Gionis
Committee to Elect Xanthi Gionis for US Congress 2012 and
Xanthi Gionis in her Official Capacity as Treasurer
Aristotle University Inc.

I. GENERATION OF MATTER

This matter was generated by a Complaint filed with the Federal Election Commission by Karin Tausan, alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by Xanthi Gionis, the Committee to Elect Xanthi Gionis for US Congress 2012 and Xanthi Gionis in her official capacity as treasurer, and Aristotle University, Inc.

II. FACTUAL AND LEGAL ANALYSIS

Karin Tausan alleges that Xanthi Gionis, a former candidate for Congress in California's 51st District in 2012 and Tausan's purported employer at Aristotle University, solicited \$7,500 from her in loans to help fund Gionis's campaign. Tausan further alleges that Gionis failed to repay these loans, and that Gionis's authorized committee failed to report the loans and other contributions to the Commission. Gionis, who submitted the only Response,¹ asserts that she never borrowed money from Tausan for the purpose of running her campaign.

For the reasons discussed below, the Commission concludes that pursuing this matter further would not be an efficient use of the Commission's resources and, thus, exercises its prosecutorial discretion to dismiss this matter.

¹ Gionis's Response addresses all Respondents, but does not expressly state that it is submitted on behalf of all Respondents. See Resp. at 1-4. The Complaints Examination and Legal Administration Division ("CELA") contacted Gionis upon receipt of her Response on March 7, 2013, to obtain clarification on this point. On March 27, 2013, Gionis contacted CELA and informed them that she had hired an attorney who would respond on behalf of her and the other Respondents. To date, however, the Commission has not received a written designation of counsel or additional Response from any of the Respondents.

A. Background

Gionis was a candidate for Congress in California's 51st District in the 2012 blanket primary election. She did not advance to the general election.² The Committee to Elect Xanthi Gionis for US Congress 2012 ("Committee") is Gionis's authorized committee registered with the Commission. Aristotle University, affiliated with the Gionis family,³ appears to have been a "suspended" corporation registered in the State of California, but its present status is unclear.⁴ Tausan states that she was "close personal friends" with Gionis, worked for Gionis as an instructor at Aristotle University and performed "some work for [Gionis's] family." Compl. at 1.

Tausan's Complaint alleges that Gionis asked Tausan to loan Gionis \$5,000 on May 14, 2012, to cover a down payment for a June 2, 2012, fundraiser to be held at the Grand Del Mar Hotel in San Diego, which Gionis allegedly claimed her brother would repay on June 8, 2012. *Id.* The Complaint also alleges that Gionis requested an additional \$2,500 on May 25, 2012. *Id.* In support of her Complaint, Tausan provides several emails that are purportedly between herself and Gionis. *Id.*, Attach. at 2-13. According to Tausan, the two agreed that Tausan's credit card would be charged for a "tuition" payment to Aristotle University and subsequently refunded to Tausan before the credit card had to be repaid. *Id.* Tausan asserts that, despite numerous attempts to collect, she was never repaid. *Id.* Tausan also explains that she filed a small claims suit against Gionis and Aristotle University for the \$7,500, the amount that she also claims Gionis solicited from her in loans to help fund the

² Gionis also was an unsuccessful candidate in the California State Senate District 40 special election that was held on March 12, 2013.

³ In her Response, Gionis asserts that Aristotle University was previously owned by her father, Matthew Gionis, and that another individual, Thomas Gionis, has not been the president of Aristotle University "for several years now." Resp. at 2, 4.

⁴ See <http://kepler.sos.ca.gov/>.

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1 campaign.⁵ *Id.* at 1-2. Tausan's Complaint also asserts that she attended a fundraising event for
2 Gionis at a private residence in Brawley, California on May 17, 2012, at which Gionis and her
3 campaign manager accepted unreported cash contributions. *Id.* at 2.

4 In her Response, Gionis flatly denies the allegations, asserting that Aristotle University
5 has never made any political contributions; her campaign did not accept any corporate
6 contributions; her campaign did not sell tickets for a fundraiser or make any down payment for a
7 fundraiser at the Grand Del Mar Hotel; and she has never borrowed money from anyone for the
8 purpose of running her campaign.⁶ *Resp.* at 3. The Response also states that Gionis's federal
9 campaign received six \$100 checks at the Brawley fundraiser, which was "hosted by the Brawley
10 farmers," but that the campaign "never received any cash contributions to [the] campaign, past or
11 present." (emphases omitted). *Id.* at 3.

12 Gionis's Response vigorously challenges Tausan's credibility. The Response also asserts
13 that Tausan was never an employee of Aristotle University. *Id.* at 2. It also states that Tausan
14 has brought similar small claims cases against other universities. *Id.* The Response further
15 asserts that Tausan fabricated the emails, with Gionis asserting that they "are not mine and were
16 not written by me."⁷ *Id.* at 2-3.

⁵ The Complaint asserts that the court believed Gionis's version of events and provides an entry of judgment against Aristotle University (and not Gionis personally) for the tuition reimbursement. *Id.* at 1-2, Attach. at 17. The Response, however, states that Tausan lost a previous small claims suit with respect to wages owed, and that the Aristotle University tuition judgment was later vacated and is currently under reconsideration due to lack of service. *Id.*

⁶ The Response is not notarized, but it is sworn under the penalty of perjury. *Resp.* at 4.

⁷ In her Response, as evidence that the emails were falsified, Gionis notes that the emails are printed from a Yahoo web page, even though none of the email addresses in question are Yahoo addresses. *Resp.* at 3. It appears, however, that SBC Global email addresses can be opened from the main Yahoo mail page.

1 According to the Complaint and the purported transcript of the small claims hearing
2 attached to the Complaint, Gionis argued at the hearing that the funds were not for her campaign.
3 *Id.* at 1-2, Attach. at 18-31. Rather, she argued, the funds represented tuition that Tausan paid
4 prior to being denied admission to Aristotle University and that Tausan was entitled to a refund
5 but had not properly requested it through Aristotle University. *Id.* The purported transcript also
6 reflects that Gionis vigorously challenged Tausan's credibility at the small claims hearing and
7 asserted that Tausan was not an employee of Aristotle University and was never authorized to do
8 the work and incur the expenses that she did. *Id.*, Attach. at 21-24. The purported transcript
9 further reflects that Gionis also alleged that Tausan fabricated the emails, but conceded that the
10 email address provided was hers. *See* Compl., Attach. at 27-28.

11 **B. Analysis**

12 The central issue raised by the Complaint is whether Tausan made an excessive
13 contribution to Gionis, and, as a corollary, whether Gionis solicited and accepted an excessive
14 contribution on behalf of her campaign through Aristotle University. The facts central to this
15 matter have been the basis of a small claims court suit, raising significant questions as to whether
16 the money at issue was actually wages owed or a tuition payment by Tausan to Aristotle
17 University that the Complainant seeks to recoup. Further, while Tausan supports her claims that
18 she personally loaned \$7,500 to Gionis for the campaign with purported email correspondence
19 between Tausan and Gionis regarding the loans, Gionis, in her Response, vigorously challenges
20 Tausan's credibility and asserts that Tausan's emails are falsified. Response at 1-3.

21 The Complaint also alleges that Gionis and her campaign manager accepted unreported
22 cash contributions at the May 17, 2012, Brawley fundraiser. Compl. at 2. However, there is no

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1 available information to support Gionis's receipt of unlawful cash contributions, while the
2 Response directly refutes the allegation. *See* Compl. at 2; Resp. at 3.

3 Given the totality of the circumstances, including cross-allegations about the reliability of
4 facts contained in both the Complaint and the Response, the fact that this appears to be a
5 personal dispute between the Complainant and Respondent, the fact that Gionis did not advance
6 to the general election, and the *de minimis* amount at issue, the Commission concludes that
7 pursuing this matter further would not be an efficient use of the Commission's resources and
8 dismisses the allegations in this matter.⁸

⁸ *Heckler v. Chaney*, 470 U.S. 821 (1985).